

Question 1. Why is there so much headroom which is not being used by most Career Services and especially at the middle grades?

Answer:

The answer will vary by Career Service, as the attached tabulation reflects. However, in general, there are two principal reasons:

- a. The desire of Career Service Heads to reserve a certain amount of headroom in each grade for "flexibility." (More will be said about this in answer to question 5.)
- b. There is an understandable tendency for an Agency operating on a Career Service concept to recruit new employees at fairly low entrance levels even though, in many instances, the vacancies to be filled are several grades higher than the recruits receive. If new employees, so recruited, possess the capacity and skill to advance quickly to the higher grade levels the headroom will disappear or, at least, be sharply reduced. Occasionally, individuals with relatively limited potential are assigned to higher graded positions (which they then block) without any real prospect of being promoted to such higher grades. Specifically we are proposing a policy which will limit the span of underslotting in making assignments. This will force the more timely correction of job classifications and the correction of obsolete T/O's.

Headroom is not just a statistic and an extra note should be added regarding special circumstances affecting headroom in several Career Services. DD/S&T, RPIC, and the Office of Communications, to mention the most prominent ones, have expanded considerably during the past two years acquiring headroom faster than they could properly use it and, thus, building up temporarily abnormal balances. The Medical Staff has still another special circumstance which really makes our method of computing headroom inappropriate for that staff. In other Career Services, junior officers can generally be promoted against headroom accumulating from higher graded vacancies. But in the Medical Staff the sharp split between professional groups prevents any "borrowing" of headroom to promote, say a nurse, against a higher graded vacancy for a medical officer.

Question 2. Does this mean that the grade structure is inflated in some cases, or that we are using lower salaried people to perform some higher salaried jobs?

Answer:

In most cases it means that lower salaried people are being used to perform higher salaried jobs. Some grade inflation no doubt exists, but I don't believe this is a serious problem.

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**CONFIDENTIAL**Question 3. Why does the Clandestine Services Career Service seem to have as much headroom, especially in the middle and upper grades?

In the same way as other Career Services, DD/P has been stymied for several months in making promotions to supergrades because of the failure of Congress to act on pending pay legislation. You may recall that the Civil Service Commission has instructed agencies to refrain from promoting employees to GS-16 until next August (or presumably until Congress acts on the pay bill if that should occur before August.) Once the new supergrade pay scale is set, we expect DD/P to resume making promotions to GS-16 at a normal pace.

The substantial amounts of headroom available to DD/P in grades GS-9 through 13 exist for essentially the reasons described in answer to question 1.

A special note is in order, however, regarding the method DD/P uses in determining how much headroom is necessary for desired "flexibility." In 1959 an "optimum distribution" of personnel in grades GS-9 and above was developed for DD/P as a long-range personnel planning goal. This "optimum distribution", which is adjusted at least once a year, currently calls for considerably fewer employees at grades 12 and 13 than does DD/P's T/O. Since the T/O is used in computing headroom, but DD/P relies on its optimum grade distribution plan to set promotion quotas, it is natural that for the present at least substantial headroom is generated at grades 12 and 13.

Add to the foregoing the shortfall that has occurred in junior officer procurement for DD/P in recent years, and it is understandable how headroom generated at grades 12 and 13 is carried down to lower grades as well. This shortfall is illustrated in the table below showing the number of JOT's who have entered DD/P since 1958 against a firm requirement levied on the JOT/P for 90 a year.

<u>Calendar Year</u>	<u>Requirement</u>	<u>JOT's Assigned to DD/P</u>
1959	90	56
1960	90	42
1961	90	51
1962	90	49
1963	90	75
TOTAL	450	273

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Question 4. Is a reclassification study indicated for each Career Service or in some components?

Answer: All directorates were instructed in January by the Executive Director-Comptroller to revise their T/O's and bring them in line with newly allotted personnel ceilings. This exercise, now nearing completion, has provided an opportunity to review the grade structure of each component. Such action together with the other normal efforts of the Salary and Wage Division should be adequate, I believe, to deal with our current reclassification needs.

Question 5. What in your judgement is a reasonable percentage of headroom to give a Career Service flexibility?

Answer: No single answer can be given to this question. The percentage will vary with each Career Service, depending on such factors as: whether the Service is expanding or retrenching; whether there are plans in the making that will significantly affect its structure; the age distribution of its members; its present and prospective attrition rates; the general attitude of the Career Service Head -- i.e., whether liberal or conservative; and other related matters.

We are aware of only one Career Service (Communications) that attempts to establish a predetermined headroom figure. The Director of Communications has indicated that he would like to reserve about 10% of the promotion opportunity at each grade level to afford flexibility in making rotational assignments, spot promotions, and other purposes. This 10% figure operates only as a guide, of course, and not as a rigid rule. Other Career Services in the DD/S maintain the concept that some headroom should be reserved for flexibility, but percentage figures are avoided. The amount considered desirable varies according to the future plans for each Service and the general attitude of the Career Service Head.

In the DD/I very little attention is given to overall Career Service headroom as a measure of promotion opportunity for future planning. DD/I generally avoids personal rank assignments and, hence, normally requires that an employee being considered for promotion occupy a T/O position at least one step above his present grade. It is this general practice which gives such significance to the "vacancy notice" system in DD/I. The practice also explains why some DD/I components, even though not beset by rotational problems, nevertheless desire significant amounts of headroom for other demands of "flexibility."

DD/P has given very considerable thought to the question of how much headroom it believes desirable for flexibility, as was indicated in the answer to question 3.

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Question 6. Does the Office of Personnel analyze these data periodically and make recommendations to the heads of Career Services for adjustment?

Answer: We do analyze the data and provide appropriate reports to Heads of Career Services on a regular schedule. However, the reports seldom include recommendations or suggestions for action.

Question 7. Do you think that the present role of the Office of Personnel in the Career Service machinery is about right? What changes, if any, would you recommend?

Answer: Yes, I think that Personnel's present role in the Career Service machinery is about right. I do feel, however, that it would be useful to provide more information, and particularly more comparative and interpretive information, to Agency executives at all levels to assist them carry out their manifold responsibilities for personnel management. Our steady development of statistical data and analytical techniques will increasingly permit the Office of Personnel to play a greater advisory role.

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